

Message Text

CONFIDENTIAL

PAGE 01 PEKING 00109 210944Z

13

ACTION EA-10

INFO OCT-01 ISO-00 NIC-01 SAJ-01 OMB-01 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 RSC-01

PRS-01 SP-02 SS-15 USIA-06 SAM-01 NSCE-00 EUR-12

NEA-09 EB-07 AGR-05 (ISO) W
----- 106782

P R 210912Z JAN 75

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 3115

INFO AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMCONSUL HONG KONG

CINCPAC

C O N F I D E N T I A L PEKING 0109

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT PFOR ECON CH

SUBJECT: CHOU EN-LAI'S REPORT ON WORK OF GOVERNMENT

REF: A. PEKING 0094 B. PEKING 0095 C. HONG KONG 714

1. IN A SPEECH LASTING FORTY-FIVE MINUTES, CHOU EN-LAI ON JANUARY 13 SUMMED UP CHINA'S MAJOR ACCOMPLISHMENTS OVER THE PAST TEN YEARS AND LAID OUT THE TASKS FOR THE FUTURE. ON THE POLITICAL FRONT, CHOU BROKE LITTLE NEW GROUND AND ADHERED CLOSELY TO STANDARD MAOIST DOGMA. CHOU OFFERED A RINGING ENDORSEMENT OF BOTH THE CULTURAL REVOLUTION AND THE "NEWLY EMERGED THINGS" WHICH GREW OUT OF IT. ON THE CAMPAIGN TO CRITICIZE LIN PIAO, CHOU SAID "OUR PRIMARY TASK IS TO CONTINUE TO BROADEN, DEEPEN AND PERSEVERE IN THE MOVEMENT." THE MILITARY RATED SCANT MENTION IN CHOU'S REPORT, AND WE FOUND IT INTERESTING THAT, DESPITE A LENGTHY DEBATE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 00109 210944Z

OVER RECENT MONTHS ON THE QUESTION OF MILITARY LINE, WE

COULD FIND NO REFERENCE TO THE CORRECTNESS OF CHAIRMAN MAO'S MILITARY DOCTRINES.

2. THROUGHOUT CHOU'S DISCUSSION OF THE PRC DOMESTIC POLITICAL SCENE THERE PERSISTED THE TENSION WHICH WE HAVE ALREADY NOTED BETWEEN THE UNITY THEME AND THE NECESSITY TO PERSIST IN CRITICISM AND RELY ON THE MASSES. AT ONE POINT, CHOU OBSERVES THAT THE STRUGGLE BETWEEN TWO LINES IS "LONG AND TORTUOUS AND AT TIMES EVEN BECOMES VERY ACUTE." NEVERTHELESS, HE PROBABLY SUMMED UP THE CURRENT TREND BEST WHEN HE STATED, "WE SHOULD RELY ON THE BROAD MASSES TO DEAL STEADY, ACCURATE AND HARD BLOWS AT THE HANDFUL OF CLASS ENEMIES, WITH THE EMPHASIS ON ACCURACY."

3. ON THE INTERNATIONAL FRONT, CHOU'S REPORT REFLECTED THE GROWING CONCERN EXPRESSED BY VARIOUS CHINESE LEADERS OVER THE THREAT OF A NEW WORLD WAR. CLEARLY, MAO'S EARLIER DICTUM THAT "WHILE THE DANGER OF A NEW WORLD WAR STILL EXISTS, THE MAIN TREND TODAY IS TOWARD REVOLUTION," HAS NOW BEEN ALTERED. CHOU'S REPORT REPEATS THE SENTENCE CONTAINED IN THE PRESS COMMUNIQUE ISSUED AT THE CLOSE OF THE CONGRESS WHICH STATES, "AT PRESENT, THE FACTORS FOR BOTH REVOLUTION AND WAR ARE INCREASING." THE TWO SUPERPOWERS, WHICH ARE DESCRIBED AS "THE BIGGEST INTERNATIONAL OPPRESSORS AND EXPLOITERS TODAY", ARE SEEN AS THE SOURCE OF A NEW WORLD WAR, ALTHOUGH CHOU WATERED DOWN HIS WARNING BY ADDING THAT SUPERPOWER CONTENTION IS "BOUND TO LEAD TO WAR SOMEDAY."

4. THE TENDENCY TOWARD A MORE EVEN-HANDED DENUNCIATION OF THE TWO SUPERPOWERS WAS SHIFTED IN THE PARAGRAPH DEALING WITH U.S.-PRC RELATIONS. WHILE CHOU ACKNOWLEDGED THE EXISTENCE OF "FUNDAMENTAL DIFFERENCES" BETWEEN THE U.S. AND PRC, HE STATED THAT "OWING TO THE JOINT EFFORTS OF BOTH SIDES THE RELATIONS BETWEEN THE TWO COUNTRIES HAVE IMPROVED TO SOME EXTENT IN THE LAST THREE YEARS, AND CONTACTS BETWEEN THE TWO COUNTRIES WILL CONTINUE TO IMPROVE SO LONG AS THE PRINCIPLES OF THE SINO-AMERICAN SHANGHAI COMMUNIQUE ARE CARRIED OUT IN EARNEST." CHOU'S PHRASEOLOGY SHOULD PROBABLY BE READ AS A GENTLE WARNING, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 00109 210944Z

BUT ON BALANCE IT WILL BE LOOKED UPON IN CHINA AS A POSITIVE ASSESSMENT OF U.S.-PRC RELATIONS.

5. IN CONTRAST, THE VERY NEXT PARAGRAPH DEALING WITH SINO-SOVIET RELATIONS COMES DOWN HARD ON MOSCOW. WHILE ARGUING THAT THE EXISTENCE OF THE IDEOLOGICAL DEBATE SHOULD NOT "OBSTRUCT THE MAINTENANCE OF NORMAL STATE RELATIONS BETWEEN CHINA AND THE SOVIET UNION", CHOU THEN

GOES ON TO SPECIFY ALL OF THE PRC'S COMPLAINTS AGAINST MOSCOW ON THE SINO-SOVIET BORDER ISSUE. CHOU SPELLS OUT IN DETAIL CHINA'S CLAIMS ABOUT THE ALLEGED AGREEMENT REACHED WITH KOSYGIN IN 1969, PROVIDING PUBLICLY (FOR THE FIRST TIME TO OUR KNOWLEDGE) THE SUBSTANCE OF VARIOUS CHINESE PROPOSALS FOR RESOLVING THE BORDER ISSUE.

6. ON OTHER INTERNATIONAL THEMES, DECLARING IT TO BE THE MAIN FORCE IN COMBATING COLONIALISM, IMPERIALISM AND HEGEMONISM. HE ALSO EXPRESSED SUPPORT FOR THE SECOND WORLD'S STRUGGLE AGAINST THE SUPERPOWERS, PARTICULARLY FOR EFFORTS OF WEST EUROPEAN NATIONS TOWARD UNITY. ON JAPAN, CHOU EXPRESSED WILLINGNESS TO IMPROVE RELATIONS "ON THE BASIS OF THE SINO-JAPANESE STATEMENT." INTERESTINGLY, ALTHOUGH CHOU TOUCHED ON INDO-CHINA AND THE PALESTINE STRUGGLES, HE DID NOT ELABORATE ON THESE ISSUES AND THERE WAS NOT MENTION OF OIL AS A POLITICAL WEAPON.

7. IN ITS ECONOMIC ASPECTS CHOU'S REPORT PROVIDES MORE INFORMATION ON PRC PLANNING PRACTICES AND KEY ECONOMIC SECTORS AND INDICATORS THAN HAS BEEN AVAILABLE IN RECENT YEARS, BUT IT STILL FAILS TO PROVIDE SPECIFICS ON PRODUCTION OR THE FIFTH FIVE YEAR PLAN. PRODUCTION FIGURES ARE EXPRESSED ONLY IN PERCENTAGE INCREASE TERMS, WITH 1974 OUTPUT COMPARED TO BASE YEARS OF 1949 AND 1964. TWO KEY AGRICULTURAL CLAIMS, FOR GRAIN (UP 40 PERCENT) AND COTTON (UP 470 PERCENT), ARE EXPRESSED IN TERMS OF GROWTH OVER 1949, WHICH IS GENERALLY CONSIDERED A MISLEADING BASE YEAR. APPARENTLY COMPARISONS WITH 1964 WOULD YIELD PERCENTAGE RISES NOT SUFFICIENTLY DRAMATIC TO MENTION. FOR INDUSTRIAL CLAIMS, WHERE PRODUCTION BASES ARE SMALLER AND POST-1964 INCREASES MORE IMPRESSIVE, FIGURES ARE EXPRESSED IN TERMS OF 1964. IN SECTORS FOR

CONFIDENTIAL

PAGE 04 PEKING 00109 210944Z

WHICH WE HAVE USG ESTIMATES, THE REPORTED INCREASES ARE CONSISTENT WITH USG FIGURES FOR COAL, PETROLEUM AND POWER, BUT NOT FOR STEEL AND FERTILIZER. ALSO IN THE REPORT ARE PERCENTAGE CLAIMS FOR 1964-74 OUTPUT INCREASES IN TRACTORS, COTTON YARN, CHEMICAL FIBERS AND TOTAL AGRICULTURAL AND INDUSTRIAL PRODUCTION.

8. TURNING TO LONG TERM STRATEGY, CHOU'S REPORT REAFFIRMS CHINA'S BASIC DEVELOPMENT PRIORITIES OF AGRICULTURE FOLLOWED BY LIGHT AND HEAVY INDUSTRY, IN THAT ORDER, AND PLACES IMPORTANT EMPHASIS ON THE NEED TO "PROMOTE PRODUCTION" IN THE YEARS AHEAD. MOST INTERESTING IS A LONG RANGE VISION SKETCHED BY CHOU WHICH CONFIRMS THAT PRC PLANNERS ARE NOW THINKING IN LONGER THAN FIVE YEAR CYCLES. AT THE LAST NPC, CHOU

RECALLS, MAO ENVISAGED TWO-STATE DEVELOPMENT THROUGH THE YEAR 2,000. UNTIL 1980, THE PRC WOULD CONCENTRATE ON BUILDING "AN INDEPENDENT AND RELATIVELY COMPREHENSIVE INDUSTRIAL AND ECONOMIC SYSTEM." AFTER THAT IT WOULD PURSUE COMPREHENSIVE MODERNIZATION OF AGRICULTURE, INDUSTRY, DEFENSE, SCIENCE AND TECHNOLOGY DURING THE FINAL TWO DECADES OF THE CENTURY.

9. CHOU' REPORT DOES LITTLE TO BRING THESE GOALS INTO CLEARER FOCUS, BUT IT REAFFIRMS THEM AND STATES THAT THE NEXT TEN YEARS WILL BE CRUCIAL TO THEIR ATTAINMENT. WHY THE NEXT TEN YEARS ARE OF SUCH IMPORTANCE CHOU FAILS TO SAY, AND WE SUSPECT IT MERELY RELATES TO THE FACT THAT PLANS ARE NOW BEING DRAWN UP ON A TEN-YEAR SCHEDULE. IN ANY CASE, CHOU SAYS THE STATE COUNCIL WILL BE DRAWING UP LONG-RANGE TEN YEAR, FIVE YEAR AND ANNUAL PLANS WHICH ARE TO BE IMPLEMENTED DOWN TO THE GRASS ROOTS LEVEL. THERE IS NO EXHORTATION TO A "LEAP FORWARD" OR "PRODUCTION UPSURGE" AS RECENTLY MENTIONED IN PRC MEDIA, BUT THERE IS A CLEAR CALL FOR CAREFUL PLANNING AND HARD WORK AT ALL LEVELS. THE OVERALL IMPRESSION CONVEYED IS THAT CHOU AND HIS NEWLY RECONSTITUTED GOVERNMENT ARE INTENT ON A DETERMINED BUT RATIONAL EFFORT TO RAISE PRODUCTION.

10. LEST PRAGMATISTS GET CARRIED AWAY, HOWEVER, THE REPORT CONTAINS THE EXPLICIT CAVEAT THAT EMPHASIS ON CONFIDENTIAL

CONFIDENTIAL

PAGE 05 PEKING 00109 210944Z

PRODUCTION MUST NOT LEAD TO NEGLECT OF REVOLUTION. EMPHASIS ON "CONTINUING REVOLUTION IN THE SUPERSTRUCTURE" IS ALSO MAINTAINED. IN ANOTHER BOW TO THE LEFT APPARENTLY DESIGNED TO PUT AN END TO LAST YEAR'S CONTROVERSY, LEARNING FROM ABROAD IS SANCTIONED, BUT ONLY WITH THE PROVISIO THAT IN LEARNING FROM OTHER COUNTRIES' GOOD EXPERIENCES THE PRC MUST BE SURE TO STUDY THEIR BAD EXPERIENCES TOO.

11. COMMENT AND CONCLUSION - THE CHOU REPORT IS REplete WITH QUOTATIONS FROM THE CHAIRMAN AND HIS EXHORTATIONS ARE TOTALLY MAOIST. NEVERTHELESS, THE MESSAGE WHICH COMES ACROSS MOST CLEARLY IS THAT CHINA NOW NEEDS UNITY, SYSTEMATIC ECONOMIC PLANNING AND TIME IN WHICH TO DEVELOP. STRUGGLE WILL BE CONFIED WITHIN STRICTLY DEFINED LIMITS WHILE IDEOLOGICAL WORK CONTINUES THROUGH THE MECHANISM OF THEORETICAL STUDY GROUPS. THE ABSENCE OF ANY REFERENCE TO DEFENSE INDUSTRIES IN CHOU'S REPORT, AND THE SCANT ATTENTION HE PAID TO THE QUESTION OF MILITARY LINE IS PUZZLING INASMUCH AS THIS HAS BEEN ONE OF THE CENTRAL ISSUES UNDER DEBATE OVER THE PAST YEAR. IT MAY INDICATE THAT DIFFICULTIES PERSIST IN THIS AREA.

CHOU'S REFERENCES TO THE THREAT OF WAR REFLECT CURRENT
DOCTRINE BUT ARE CAREFULLY AMBIGUOUS ON THE QUESTION
OF THE IMMINENCE OF THIS THREAT. WE SUSPECT THAT, IN
PART, THE PRC LEADERSHIP MAY SEE THIS AS PART OF THEIR
CAMPAIGN TO WARN THE WEST AGAINST DETENTE. FINALLY, WHILE
ECONOMIC PLANNING IS UNDERWAY, IT STILL HAS A WAY TO GO
BEFORE THE NEW FIVE YEAR PLAN CAN BE UNVEILED. WE WONDER
IF WE MIGHT SEE THE SECOND SESSION OF THE FOURTH NATIONAL
PEOPLE'S CONGRESS FOR THAT OCCASION.
HOLDRIDGE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, SPEECHES, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PEKING00109
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750022-0431
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750133/aaaabdiz.tel
Line Count: 233
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PEKING 0094, 75 PEKING 0095, 75 HONG KONG 714
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by BoyleJA>; APPROVED <12 JUN 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHOU EN-LAI'S REPORT ON WORK OF GOVERNMENT
TAGS: PINT, PFOR, ECON, CH, XX, (CHOU EN-LAI)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006